

LEASE PAYMENTS: MASTER EQUIPMENT LEASE-PURCHASE PROGRAM

The Schedule of Charges for Equipment Financed through the Master Equipment Lease-Purchase Program summarizes the charges to financial agencies by fiscal year for equipment financed through June 16, 2005. The schedule should be used to derive the amount budgeted in Comptroller Objects 1021, 1041, 1121 and 1141 (Capital Lease Payments to Treasurer) based on equipment financed through June 16, 2005.

If an agency's total budget request for these charges is different from the amount in the Schedule of Payments, please provide an itemization of additions and subtractions, on a form DBM-DA-2, that clearly identifies how the request is derived from the Schedule. If an agency plans to finance the purchase of additional equipment, the amounts on the Schedule should be increased. If an agency plans to "pre-pay" any leases, the amount should be decreased.

Adjustments should be made to reflect the following, as needed:

- If there are (or will be) prepayments, deduct amounts for the fiscal 2006 lease payments that will have been satisfied as a result of the prepayments. Use the amortization schedule you received at the time of financing to calculate the deductions (for assistance in determining this amount, contact Kina Johnson-Malcolm, State Treasurer's Office, 410-260-7154).
- Add estimated finance charges for equipment to be financed after June 16, 2005 as follows:

If equipment is financed (vendor paid)	First semi-annual payment is on:	Amount of debt service during fiscal year is:	
		<u>FY 2006</u>	<u>FY 2007</u>
Between 6/1/2005 - 11/30/2005	January 1, 2006	1/2 year	full year
Between 12/1/2005 - 5/31/2006	July 1, 2006	none	full year
Between 6/1/2006 - 6/30/2007		none	1/2 year

Agencies may obtain a payment schedule by contacting Joan Shirrefs, DBM, 410-260-7580.